



*Boone County, Indiana*

*Established 1830*

***Lisa Garoffolo***

*Boone County Assessor*

115 Courthouse Square

Lebanon, Indiana 46052

OFFICE 765-483-4405 FAX 765-483-5239

Date: February 22, 2019

To: J. Barry Wood  
Director of Assessments  
Indiana Department of Local Government Finance

Re: NARRATIVE  
***2019 BOONE COUNTY ANNUAL ADJUSTMENT RATIO STUDY***

Party Performing Ratio Study: Dan Spiker  
Contact Information: Phone: 765-483-5783 email: [dans@g-uts.com](mailto:dans@g-uts.com)  
Vendor: GUTS  
Sales Window Range: 1/1/2018 – 12/31/2018 \*ALL EXCEPT HARRISON RES IMPROVED

The following document is issued as supplemental documentation to the 2019 Boone County Internal Ratio Study submitted to the Indiana Department of Local Government Finance on February 22, 2019. The Ratio Study was submitted via e-mail, to your attention, in Microsoft Excel format.

The annual adjustment process was performed by Government Utilities Technology Service (GUTS). The assessed values in Boone County were established by implementing the latest updated depreciation calculation date suggested by The Department and adjusted using local Sales, Income & Expense, and Market data. The attached ratio study was performed in accordance with the *IAAO Standard on Ratio Studies*.

**GROUPINGS**

There are no groupings for any of the classes in the Boone County Ratio Study

**AV INCREASES/DECREASES**

Please refer to the following chart for an illustration and explanation of all classes where the overall change was greater than 10%

\***HARRISON RESIDENTIAL IMPROVED**: There was only one valid sale for Harrison Improved Residential. This study was conducted using predominantly 2017 sales with the one 2018 sale. There is no data to support adjustment to the 2017 sales as there was no measurable difference from prior to current markets.

Category	Township Name	% Change	Explanation
IMPROVED COMMERCIAL	HARRISON	24%	One parcel (004-00230-00) with new construction added for increased AV of > 273,001
	JACKSON	25%	Multiple properties with renovations and one new construction
	MARION	167%	One parcel (007-08080-00) with new building added for increased AV of > 1,000,000
	WORTH	26%	Mostly new construction
IMPROVED INDUSTRIAL	JACKSON	115%	One parcel (014-06700-00) with large addition for increased AV of > 1,000,000
	PERRY	22%	Mostly new construction of large industrial warehouses
	WORTH	11%	Mostly new construction
IMPROVED RESIDENTIAL	PERRY	21%	Mostly new construction in new subdivision Edmonds Creek
	WORTH	12%	Mostly new construction in several subdivisions
VACANT COMMERCIAL	EAGLE	45%	Mostly new construction multiple properties
	PERRY	92%	All new development. Land changing from either farm or developer to developed
	WORTH	105%	All new development. Land changing from either farm or developer to developed
	CENTER	76%	All new development. Land changing from either farm or developer to developed
	EAGLE	-10%	Correction to one parcel, adding water to a portion of the land assessment
	PERRY	100%	All new development. Land changing from either farm or developer to developed
	WORTH	-48%	Parcel splits for several large properties, one of them moved of large building to another parcel (previous PSC was 350)
VACANT RESIDENTIAL	CLINTON	-11%	House razed on one parcel. Previous PCS was 511
	EAGLE	31%	Multiple subdivisions with new construction taking lots from developer to full value
	PERRY	120%	One subdivision (Edmonds Creek) with new construction taking lots from developer to full value
	SUGAR CREEK	11%	Two parcel splits adding new parcels with new construction
	WASHINGTON	15%	Combination of parcel splits and adding new parcels with new construction

- **Vacant vs. Improved Sales in Ratio Study - *NOTE:*** While extracting sales for the 2019 Boone County Ratio study, vacant vs. improved sales were determined by Box 3 (Vacant Land) in the Conditions Section (B) of the Sales Disclosure Form, *not* by Property Subclass. In the past, this has been an issue during the review process by the DLGF representative. If box 3 is checked 'Yes', those sales will be in the Vacant Residential Ratio Study. If box 3 is checked 'No', those sales will be in the Improved Residential Ratio Study.

At the time many Sales Disclosures were filed with the Assessor, data entry on new construction had not been completed. Many parcels involved with improved sales still had a subclass of vacant (500, 501, etc) and the dwellings had not been entered into the system. In order to maximize the number of sales deemed valid and used in the study, the PVDNet Trending/Ratio Study Module points to Box 3 (Vacant Land) when gathering sales, not a subclass that may have been changed after the Sales Disclosure Form was filed. Using Box 3 (Vacant Land) instead of subclass insures that upon signing their names, buyers and sellers are certifying they paid X number of dollars for either Vacant Land or Improved Property.

- **Methodology:** The annual adjustment process for residential properties in Boone County was conducted by calculating new neighborhood factors based upon sales deemed valid for trending.

- **Application of Factor (50 IAC21-5-2)** Regarding residential improved property classes, new neighborhood factors were calculated and applied in accordance with IC6-1.1-4 and the Real Property Assessment Guidelines as sales data dictated. For neighborhoods with zero or insufficient sales data, the neighborhood factor was updated based on comparable neighborhoods in that specific residential real estate market. Where sales and/or other market derived data dictated, some properties were left the same for 2019.
- **Addressing properties that have been remodeled or extensively updated.** In Book 1, Chapter1, page 3 of the Indiana Assessment manual under Appraisal and Examination of Buildings, it states that the Assessor “*is responsible for keeping the assessment data and records current by securing the necessary field data and making changes in the assessment as changes occur*”. When the Assessor discovers properties that have undergone remodeling or updating, the change may be reflected by updating the effective age of the dwelling. In Appendix B, page 5 under Effective Age, the manual states that Effective Age “*can be thought of as the actual age less the years that have been removed from the actual age by such things as maintenance, repair, upgrading, and change. The items that would tend to reduce the effective age might include: new paint, carpeting, roof, furnace, electrical system, windows, plumbing, room additions or general home remodeling*”. If the effective age has been changed in Boone County, the procedure is to follow the chart referenced below as a guideline as to help assure uniformity. The contribution chart referenced below is taken from the Indiana Cost Guidelines. Using these categories, the Assessor determines a range of acceptable overall increase in value related to the accumulated remodel items. The overall charge is up to the discretion of the Assessor as many updates are grouped and/or vary in quality.

Windows, exterior door and floor cover	5%
Exterior	6%
Interior drywall and ceiling finish	8%
Built-ins, cabinets, interior doors, trim	13%
Plumbing fixtures	5%
Floor covering	6%
Light Fixtures, Painting and decorating	6%

### CYCLICAL REASSESSMENT

**Status (IC 6-1.1-4-4.2):** Guts has completed Phase I of the 2018 Cyclical Reassessment process. The workbook has been updated with the appropriate phase marking for every parcel included.

The following Townships were reviewed as part of the current phase of the cyclical reassessment:

EAGLE  
MARION  
PERRY  
UNION  
WORTH

**The Land Order** will be completed and implemented in Phase II of the Boone County Cyclical process.

### COEFFECIENT OF DISPERSION < 5

**The C.O.D. for the Perry Township Improved Residential study is 2.54.** This study group contains 40 sales. The vast majority of these sales are for new homes (added in one new subdivision) for 2019. The homes in this new subdivision are all very similar in nature and related selling price. Due to the uniform structure of this homogeneous environment, the C.O.D will tend to be lower than normal.